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Intelligence Handbook

The Oil Establishments in Selected Producing Countries

~~Secret~~

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November 1974

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Preface

Since these articles were prepared, the following events have occurred:

In Iraq Dr. Sa'dun Hammadi has become Foreign Minister and Tayid 'Abd al-Karim has been made Minister of Oil and Minerals.

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ALGERIA

Algerian oil policy is determined, in general terms, by Houari Boumediene, self-appointed President of the Council of the Revolution and President of the Council of Ministers. Because the constitution is largely ignored, executive and legislative power is vested in these two bodies. The Council of Ministers runs the government, but with only five or six of the 23 members making the key decisions. Belaid Abdesselam, Minister of Industry and Energy, is concerned most directly with petroleum policymaking. SONATRACH, a state corporation under his Ministry, is the operating unit for all petroleum matters. The Ministry of Finance plays a role in determining petroleum tax policy. It has often attempted, without success, to control SONATRACH expenditures.

Key petroleum issues, such as Algeria's position on questions before OPEC, are decided by Minister Abdesselam in consultation with President Boumediene. Despite evidence that the minister has been more outspoken and unequivocal than Boumediene would have preferred, the president has given him increasing responsibility to speak on energy matters. Policy on minor questions is set by President Ghazali of SONATRACH or his subordinates.

The state controls all phases of the oil and gas business through SONATRACH. Created in 1963 to supervise construction of an oil pipeline, the corporation has expanded its activities to include exploration, production, transportation, and marketing of petroleum (including natural gas), as well as construction and operation of refineries and petrochemical complexes.

Algeria can absorb large revenues in advancing its ambitious development program, servicing the foreign debt, and expanding state services. The government consequently has tried to maximize petroleum production and has been a leading advocate of price hikes. Until recently, Algerian oil was overpriced. The country has now reduced its prices to more competitive levels but will resist further cuts -- probably supporting an OPEC-wide agreement to cut production, if necessary.
(Secret)

Houari Boumediene
President

Col. Houari Boumediene has served as President of Algeria since he overthrew Ahmed Ben Bella in June 1965. In theory, Algeria is governed by a collegium, the 14-man Council of the Revolution; in fact, Boumediene dominates the

ALGERIA: Petroleum Policymaking Organization



President
Houari BOUMEDIENE

Council of the Revolution
and Council of Ministers

Ministry of Industry
and Energy
Belaid ABDESSELAM

Minister of Finance
Smail MAHROUG

SONATRACH

President-Director General: Ahmed GHOZALI

Vice President: Nourredine AIT LAOUSSINE

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government. A nationalistic revolutionary, the president has mellowed in office. Realizing that Algeria needs technical aid and export markets, he has suppressed his extremist ideological beliefs. Boumediene has nationalized the major Algerian industries and is committed to an unpopular program of agrarian reform. Meanwhile, he has also dealt willingly with Western banking institutions and technical advisory firms. In February 1971 he commented that "You cannot feed people with fine speeches. What they need is bread, shoes, and schools."

Boumediene's foreign policy is oriented toward the Mediterranean and the Eastern Arab nations and shows strong sympathy with the Palestinian cause. The president severed diplomatic relations with the United States in June 1967 after the Arab-Israeli war. He argues that the world is now polarized between the developed and undeveloped nations. Host to the September 1973 Nonaligned Summit Conference, he emerged as a major Third World leader. The economic resolutions of that conference and the recent oil embargo led him to request the April 1974 Special Session of the UN General Assembly on raw materials, which he addressed. (Secret)

Belaid Abdesselam
Minister of Industry and Energy

An outstanding technocrat and one of the most able men in the government, Belaid Abdesselam is among Algeria's principal economic policymakers. He rose to prominence as chief negotiator in prolonged petroleum negotiations with France during the early 1960s, and by 1964 he was one of Algeria's principal authorities on petroleum. He assumed his current post in 1965 after serving two years as president of SONATRACH.

Abdesselam believes that Algeria's development requires cooperation with the West. Even after the 1967 break in diplomatic relations with the United States, Abdesselam favored the use of American technical skills. He played an important role in negotiating the 1969 contract between SONATRACH and El Paso Natural Gas to supply LNG to the United States.



A frequent participant in meetings of international petroleum organizations, Abdesselam was one of the first to suggest that Arab oil producers agree to prorate

production to drive prices up. Algeria supported the October 1973 OAPEC oil embargo. In November 1973 Abdesselam and Saudi Arabia's Minister Yamani were selected as spokesmen for OAPEC, circling the globe to explain the Arab position. (Secret)

Smail Mahroug
Minister of Finance

A highly regarded economist and financial authority, Smail Mahroug has made his name in such international forums as the World Bank conferences on reforming the world monetary system.

Mahroug holds strong socialist views. In 1969 he criticized the US aid program as a tool to strengthen the US position in less developed countries. He does, however, respect US technical expertise and fosters US cooperation in Algeria's economic development. Mahroug played an important role in the negotiations between his government and the Export-Import Bank on a loan in 1973 for the El Paso Gas Project. (Secret)



Ahmed Ghozali
President-Director General, SONATRACH

Ahmed Ghozali and Belaid Abdesselam, Minister of Industry and Energy, have been Algeria's chief spokesmen on petroleum matters since the mid-1960s. As the head of Algeria's oil and gas industry, Ghozali has more power than most members of the government. He is not a member of the inner circle of decisionmakers but has earned their respect as a competent, hardworking technician.

Ghozali has a degree in engineering from *l'Ecole des Ponts et Chaussees de Paris*. He makes excellent use of the competent economists on his staff.



An experienced negotiator, Ghozali has participated in oil and gas negotiations with US firms since 1963. In New York, on 9 October 1969, he signed the first basic agreement between SONATRACH and the El Paso Natural Gas Company for the purchase of 1 billion cubic feet per day of Algerian liquefied natural gas.

He admires American businessmen, whom he regards as tough but honest partners. Ghozali has few friends because of his heavy workload; he is totally involved with the oil and gas problems. (Secret)

Nourredine Ait Laoussine
Vice President, SONATRACH

An official of SONATRACH since 1965, Nourredine Ait Laoussine has been second in command for several years. He is currently head of marketing and exploration. He holds an M.A. in petroleum engineering from the University of Michigan.

Ait Laoussine has been involved in most of the negotiations between SONATRACH and US firms. In that capacity, he has testified before the Federal Power Commission on several occasions. He is a tough negotiator but is pleasant even when presenting an uncompromising position. (Secret)

ECUADOR

Petroleum policy in Ecuador has been determined by the President of the Republic, General Guillermo Rodriguez, and by the ministerial cabinet since the advent of military government in February 1972.

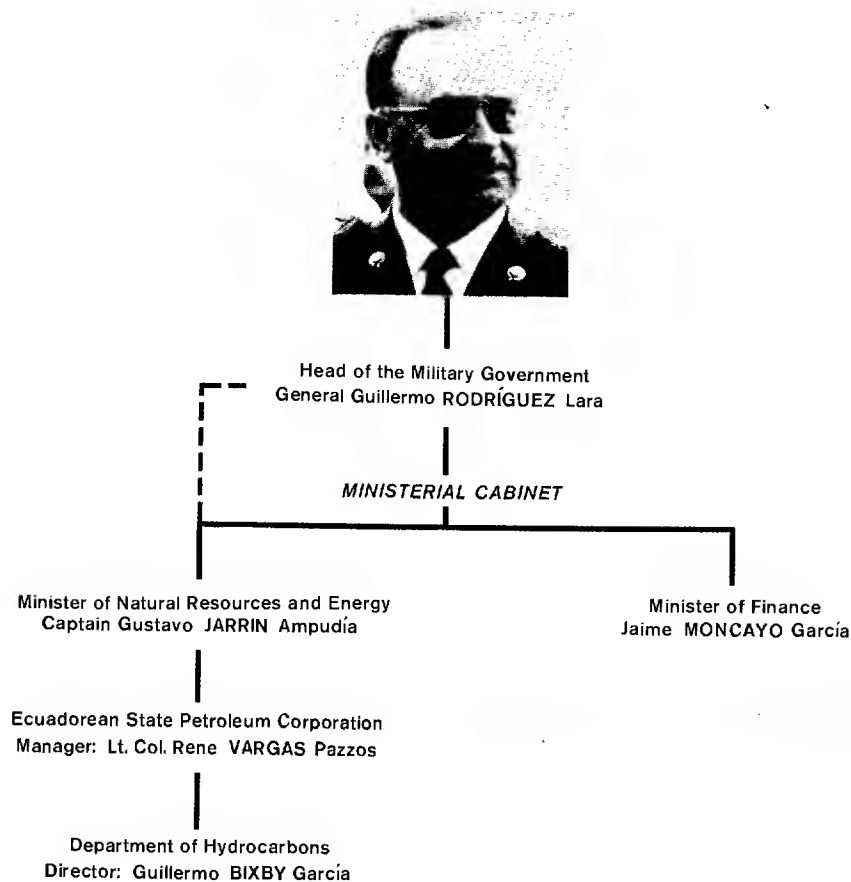
Decisions on oil policy are based on recommendations by cabinet members, chiefly the Minister of Natural Resources and Energy and the Minister of Finance. The procedure depends on the importance of the issue. Minor policy matters may be decided by the Minister of Natural Resources, more important decisions require a consensus of the cabinet, and all decisions must be coordinated with the President. Major policy matters are decided by the President.

The Minister of Natural Resources and Energy, Navy Captain Gustavo Jarrin, drafts most proposals for oil policy with little input from ministry subordinates. Jarrin's recommendations weigh heavily in the final presidential decisions. Major decisions on fiscal matters such as oil company tax rates and budgeting of oil revenues are based on recommendations from the Minister of Finance, Jaime Moncayo.

The Ecuadorean State Petroleum Corporation (CEPE) is the principal entity for administering national oil policy. CEPE was created in 1972 and eventually is supposed to engage in oil production and refining. So far, lack of technical expertise has limited it to regulatory activities and domestic marketing of petroleum products. CEPE recently purchased a 25% share of the operations of Texaco-Gulf, Ecuador's only important producer, and plans to build a 50,000-b/d refinery in the near future. Quito has expressed interest in expanding its ownership of oil company operations to 51% by the end of 1975.

Ecuador, the smallest and newest producer in the OPEC group, seeks high oil revenues through high prices and a large government take rather than by maximizing production. Revenues per barrel of exports currently amount to \$10.35 -- among the highest in OPEC. Royalty rates of 16%, a profit tax of 45%, an export tax of 15%, and various other taxes return more than 90% of the selling price to the government. In June the government introduced an oil conservation policy because discovery of new reserves has not kept pace with expectations. (Confidential)

ECUADOR: Petroleum Policymaking Organization



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Gustavo Jarrin Ampudia Minister of Natural Resources and Energy

A navy captain and former Chief of Staff of the Ecuadorean Navy and assistant naval attache in Washington, Gustavo Jarrin has been Minister of Natural Resources and Energy since February 1972. Jarrin is considered a well-motivated and capable officer. He is a tough-minded nationalist who has taken a hard line with foreign concessionaires. He is the man most immediately responsible for petroleum policymaking, but all decisions must be cleared with President Rodriguez. Jarrin is Ecuador's official representative at meetings of OPEC and other energy organizations. (Confidential)



Lt. Col. Rene Vargas Pazzos
Manager: Ecuadorean State Petroleum Corporation (CEPE)

A technical engineer and former assistant military attache to Washington, Rene Vargas is concerned with the implementation of Ecuador's petroleum policy. He plays a very small role in policy decisionmaking. (Confidential)



Guillermo Bixby Garcia
Director: Department of Hydrocarbons

A former professor, Guillermo Bixby is an able geologist who was appointed to his present position in early 1972. As head of one of the departments within the Ministry of Natural Resources, he finds himself overshadowed by Minister Jarrin. He serves chiefly as ministry spokesman and overseer of foreign company operations in Ecuador. (Confidential)



Jaime Moncayo Garcia
Minister of Finance

A respected economist, Jaime Moncayo became Minister of Finance last February. He previously served as Sub-Secretary General of the Foreign Ministry, where he was most willing and able to make policy decisions. Although nationalistic, he seems well disposed toward the United States. (Confidential) ■



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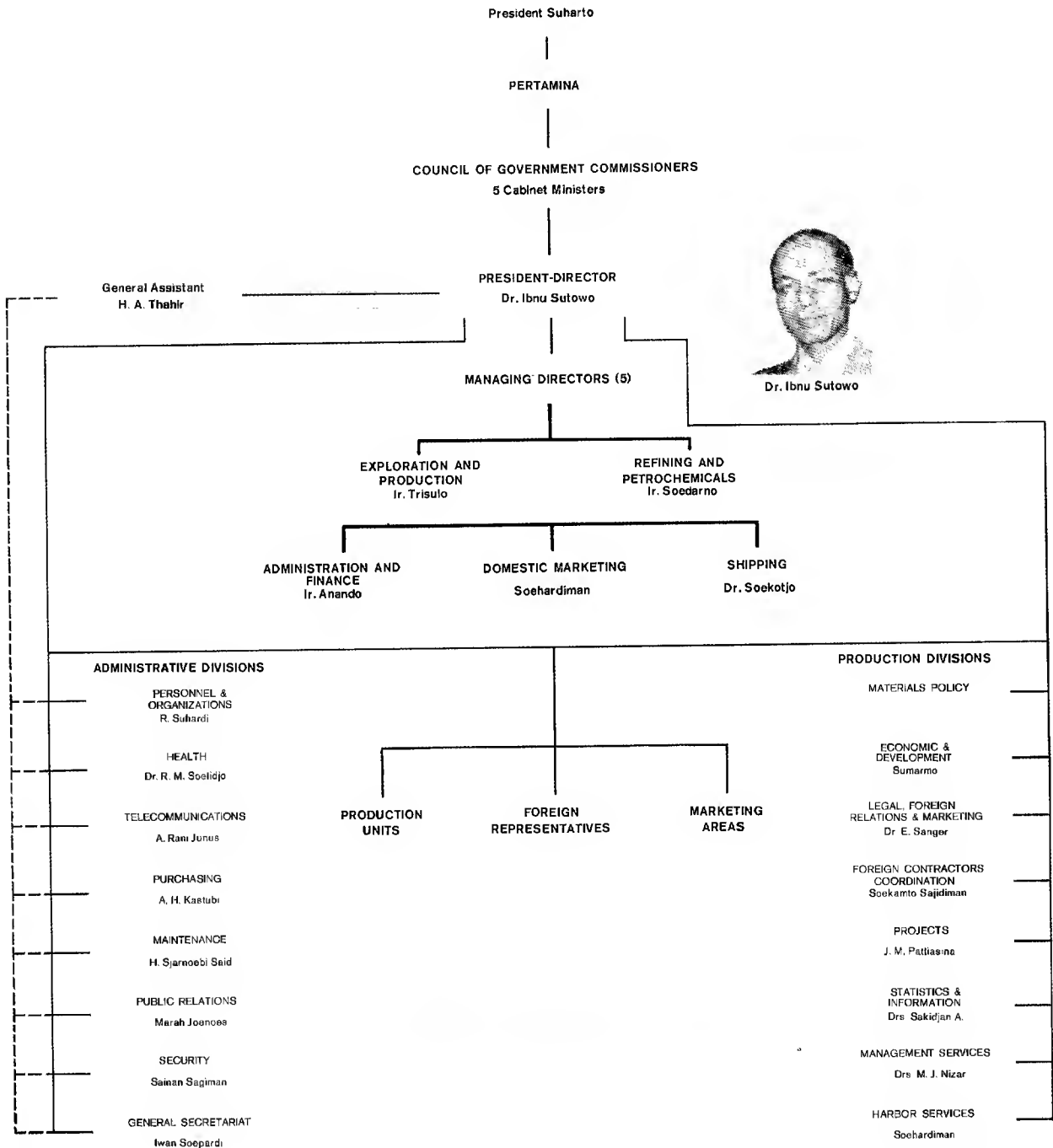
INDONESIA

Pertamina, the state oil company, is Indonesia's principal agent in the exploitation of oil and gas resources and a major influence on petroleum policy. Its wide-ranging functions include exploration, production, refining, marketing, and overseeing the operations of foreign oil companies. Pertamina has grown rapidly, becoming a large corporation. A major Indonesian innovation, used extensively by Pertamina, is the production-sharing contract. Under this scheme, foreign oil companies operate as contractors to Pertamina and share in both the risks of exploration and the income from any discoveries.

A law promulgated in September 1971 revised the structure of the company and spelled out its relationship with the government. A Council of Commissioners appointed by President Suharto supervises Pertamina's activities. The Council is chaired by the Minister of Mining and includes the Ministers of Finance, Planning, Industries, and Defense and Security. Also tasked with an oversight function is the Oil and Gas Directorate of the Ministry of Mining; many of its key officials serve concurrently in Pertamina. The corporation is run by a Board of Managing Directors that technically must obtain approval from the Council of Commissioners for its budget, borrowing above a certain limit, creation of subsidiaries, purchase and sale agreements, and related matters.

President-Director Ibnu Sutowo is the dominant member of the Board, which also includes the heads of Pertamina's five directorates. Ibnu is empowered to make decisions if Board deliberations are inconclusive and, in effect, is Indonesia's chief petroleum policymaker. He has considerable influence with the Council and on the Board, as well as with President Suharto and important military elements. Moreover, his strong standing with foreign oil companies and solid reputation abroad give him access to development funds outside regular budgetary channels. Ibnu not only keeps a tight rein on policy but also closely watches the day-to-day operations of Pertamina. (Confidential)

INDONESIA: Petroleum Policymaking Organization



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General Ibnu Sutowo
President-Director
P.N. Pertamina

General Ibnu Sutowo, 50, is "Mr. Oil" in Indonesia. He has been President-Director of Pertamina since its inception in 1969 and was president of the predecessor company. In 1966-68, he served concurrently as the Director General for Oil and Gas in the Ministry of Mining.

Educated in European primary and secondary schools, Ibnu went on to medical school and served as a doctor in the army, ultimately rising to his current rank of general. He continued on active military duty after being named head of the national oil company in 1958.

Ibnu's iron-handed business methods and love of ostentation have brought charges of corruption from the press. He nonetheless retains great influence with Suharto and the military. US oilmen agree that Ibnu's leadership has made Pertamina a far stronger organization than it would be otherwise. Americans who have known him well say he is qualified to be board chairman of a large US oil company.

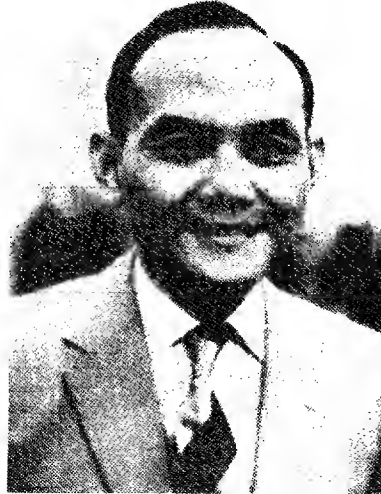
During Ibnu's tenure with Pertamina, Indonesia has become a leader among oil-producing LDCs. In recent years, Pertamina has branched out into other fields such as steel, petrochemicals, fertilizers, and even tourist hotels (Secret)

Ir. Trisulo Djokopurnomo
Director, Exploration and Production Directorate
P.N. Pertamina

Trisulo, 42, Managing Director for Exploration and Production, is probably the most important man in Pertamina after Ibnu. He is a tough bargainer whose hands are directly on the controls of key Pertamina operations. A graduate of Bandung Technical Institute, Trisulo is a former foreign service officer and a petroleum engineer. He also has served as an economist with OPEC in Vienna and as the head of the oil and gas unit in the Ministry of Mining. Moreover, he is Ibnu's adviser on the technical feasibility of all phases of operations. Without Trisulo's approval, projects proposed by foreign firms have little chance of getting anywhere. (Confidential)

Mohammad Sadli
Minister of Mining
Council of Commissioners, Pertamina

In March 1973, President Suharto appointed Mohammad Sadli, 52, as Minister of Mining. Sadli also serves as Chairman of Pertamina's Council of Commissioners. An MIT-educated professor of economics, he is chairman of the Institute of Economic Research at the University of Indonesia and is also President Suharto's chief personal adviser on economic matters.



The appointment was welcomed by Ibnu Sutowo, head of Pertamina, which comes under the Mining Minister's jurisdiction. Ibnu regards Sadli as the only leading technocrat who understands Pertamina's problems and the petroleum business in general. Sadli also commands great respect in international financial circles. (Secret)

Eldrich Sanger
Chief, Legal, Foreign Relations, and Marketing
Division, P.N. Pertamina

Eldrich Sanger, 47, was named head of the Legal Division of Permina in 1966 and retained his post in the successor firm, Pertamina. A 1954 graduate of the University of Indonesia, Sanger continued his studies in Germany, receiving a Ph.D. degree in law from Bonn University in 1959. He then returned to Indonesia and helped form the Bureau of Oil Affairs. He headed the bureau's Legal Department and helped draft Indonesia's petroleum law. From 1964 to 1967, Sanger was Under Secretary of the Oil Ministry under General Sutowo. He also acts as Pertamina's chief negotiator for produc-



tion-sharing contracts and is attached to the government's Oil Negotiating Committee. Sanger has attended OPEC meetings since 1962 and served as OPEC Secretary General in 1969. Although he still has substantial influence in Pertamina, especially in negotiating foreign contracts, he is not as close to Ibnu as he once was. (Confidential)

Hadji Thahir
General Assistant for Administration
P.N. Pertamina

Thahir, 61, handles the workaday tasks of administration for Ibnu and has closer access to the President-Director than anyone else. He has considerable influence and is given a good deal of leeway, but because of his age, he would not be a key figure in the event of Ibnu's departure. (Confidential)

Nitisastro Widjojo
Minister of State for Economy, Finance, and Industry
Council of Commissioners, Pertamina

Dr. Widjojo, 47, was appointed Minister of State for Economy in March 1973. He had previously been Minister of State for National Development Planning for 18 months. Widjojo continues as chairman of the National Development Planning Board, a post he has held since July 1967. One of Indonesia's most able economists, he has served as an economic adviser to President Suharto.



Widjojo, along with Wardhana and to a lesser extent Sadli, has pushed for more closely supervised accounting of Pertamina's activities. This has been a source of conflict and irritation with Ibnu, Pertamina's President-Director, who feels that Pertamina must be free to make money for Indonesia with minimum meddling from economic technocrats in the government. (Secret)

Ali Wardhana
Minister of Finance
Council of Commissioners, Pertamina

Ali Wardhana, 46, Minister of Finance since June 1968, holds a doctorate from the University of California at Berkeley. He has also been an economic adviser to President Suharto since July 1966.

After a dispute between Wardhana and Ibnu in March 1974, the President-Director called for the Minister to resign from Pertamina's Council of Commissioners. President Suharto imposed a compromise settlement by appointing the Defense and Industry Ministers, both close associates of Ibnu, to the Council. (Secret)



Maraden Panggabean
Minister of Defense and Security
Council of Commissioners, Pertamina

In March 1973, President Suharto appointed General Maraden Panggabean Minister of Defense and Security, and concurrently Commander in Chief of the Indonesian armed forces. Panggabean had been *de facto* head of the army since August 1966 and of all military services since November 1969.

Panggabean, 52, was appointed to Pertamina's Council of Commissioners in April 1974. He is a close associate of Ibnu and can be expected to support Ibnu fully in the Council. (Secret)



Mohammad Jusuf
Minister of Industries
Council of Commissioners, Pertamina

Lt. Gen. Andi Mohammad Jusuf, 46, Minister of Industries since June 1968, is the only cabinet-level nontechnocrat who holds an economic portfolio. Jusuf was appointed to Pertamina's Council of Commissioners by President Suharto in an effort to placate Ibnu's demands that Finance Minister Wardhana be removed from the Council. Jusuf is a close associate of Ibnu and can be expected to vigorously support the President-Director's position on the Council. (Secret)



* * * *

IRAN

The Shah is the key figure in all the major and many of the minor policy decisions on Iranian oil matters. He sets the policy, appoints the administrators, and oversees the operations of this vital industry, which provides more than three-fourths of Iran's export earnings. He obtains detailed information through formal and informal channels and backs decisions with the full force of his position. The parliament is pliable to the Shah's desires regarding petroleum legislation.

The Shah, in effect, acts as his own petroleum minister. One of his principal advisers is the Prime Minister, who, occasionally, also acts as the Shah's oil spokesman. The Minister of Economics and Finance provides the Shah with the income and expenditure data needed for decisions on oil policy. From the new Ministry of Energy, the Shah presumably elicits information on domestic supply and demand for petroleum and other energy sources. On international oil matters, the Shah undoubtedly receives advice from his OPEC representative, Jamshid Amuzegar. But Amuzegar's primary function is to carry out the Shah's biddings in deliberations with oil ministers of other OPEC countries.

The Shah frequently calls in officials of the private oil companies for an exchange of views. He also picks the brains of foreign visitors knowledgeable about oil matters.

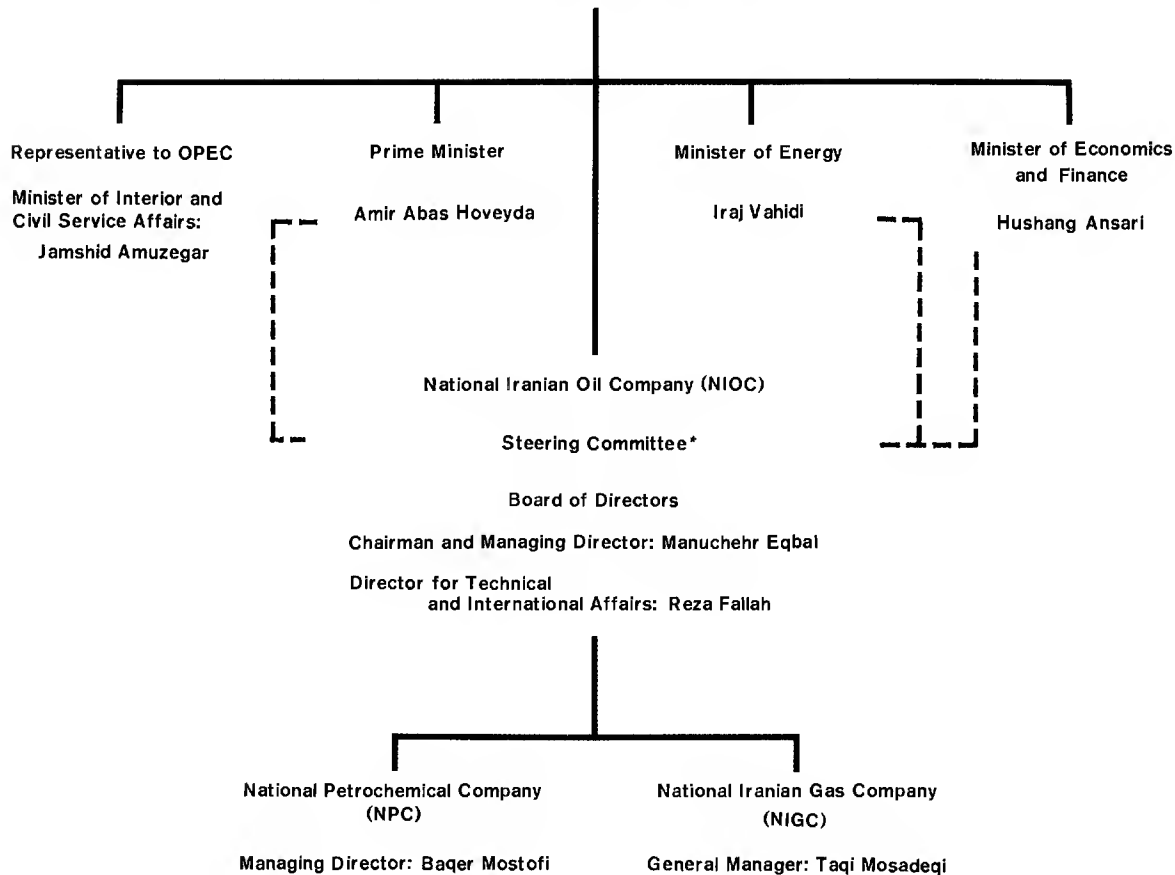
Operational control of the oil industry is vested in the National Iranian Oil Company (NIOC), a government enterprise established when the industry was nationalized in 1951. With growth of the industry, NIOC's span of control has broadened to include natural gas and petrochemicals. In mid-1973, it took over all the production and refinery facilities held by the Consortium – a group of European and US companies that accounted for over 90% of Iran's oil output and exports. The Consortium became the Iranian Oil Service Company – a service enterprise with oil purchase rights for 20 years. The NIOC sells oil directly to foreigners and arranges joint petroleum ventures abroad and in Iran. Four foreign companies operating jointly with the NIOC currently account for 8% of Iran's output of 6.1 million b/d.

The Shah's oil policies generally have been framed to maximize the revenues available for ambitious industrial development programs. Iran thus has frequently been in the forefront of OPEC efforts to raise oil prices. The Shah was one of the leading proponents of the sharp price increases of late 1973 and early 1974. He is not only an adamant defender of prices but also an advocate of further increases to reflect the growing cost of imported manufactures. The Shah has

IRAN: Petroleum Policymaking Organization



His Imperial Majesty
Shah Mohammad Reza Pahlavi



*The Steering Committee Consists of Ministers of Industries and Mines, Labor and Social Services, State, and a Prime Minister appointee.

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reacted strongly to what he considers threats by the oil-importing nations. "No one can wave a finger at us," he said on 26 September, for "we will wave a finger back." This is taken to mean that Iran and its supporters in OPEC will cut oil production, if necessary, to support the present high prices. (Confidential)

Mohammad Reza Pahlavi
Shah of Iran

The Shah holds absolute power and makes all the major decisions on Iranian petroleum policy. He is an intelligent, well-educated, strongly motivated, personable, yet suspicious individual. Now nearing 55, he exudes confidence in himself and the future greatness of Iran. Under his dynamic leadership, Iran has developed the largest and fastest growing economy and one of the strongest military forces in the Middle East.

The Shah's current Five-Year Development Plan (ending March 1978) and his far-reaching "Great Civilization" program rely on revenues from petroleum. He therefore is determined to protect these vital assets from threat of foreign military force and from price erosion in the world market. Working closely with other members of OPEC, the Shah is attempting to link oil prices to prices of Western industrial goods. He also is negotiating to trade oil for scarce industrial raw materials and for foreign participation in Iran's industrial development. With oil revenues currently exceeding domestic needs, the Shah is lending and investing abroad to enhance Iran's political influence and long-term economic strength. (Confidential)

Amir Abas Hoveyda
Prime Minister

Amir Abas Hoveyda, 56, has been Prime Minister for 9 years. His expert handling of the cabinet has reduced the frictions that harassed previous Prime Ministers. Some of Hoveyda's success derives from his ability to understand the Shah's wishes.

On oil matters, Hoveyda probably gives some advice to the Shah and may function as a sounding board for the Shah's ideas. His primary function, however, is to serve as a spokesman for the Shah and to guide the NIOC. He is the ranking member on the NIOC steering committee.



An economist by profession, Hoveyda is a perceptive, hard-working individual who gets along well with others. He is a veteran traveler and speaks fluent English, French, and Arabic. (Confidential)

Jamshid Amuzegar
Minister of Interior and Civil Service Affairs

In April 1974, Jamshid Amuzegar, 50, became Minister of Interior and Civil Service Affairs in a cabinet shuffle. He had served since 1965 as Finance Minister. Amuzegar remains Iran's leading international spokesman on petroleum matters and retains his OPEC responsibilities. Intelligent, articulate, and charming, he nonetheless is a tenacious negotiator. He is friendly toward the United States but he tries to avoid any stand that could be labeled pro-American.



Amuzegar has degrees in public health and sanitary engineering from Cornell University and a Ph.D. in hydraulic engineering from the University of Washington. Before becoming Finance Minister, he served as Minister of Labor, of Agriculture, and of Health. In each case he showed considerable dynamism, promoted modernization of Iranian society, and criticized corruption. He has a reputation for clear, forceful presentations of his views.

Amuzegar speaks excellent English and German and can converse intelligently on almost any subject. He has three prominent brothers: Jahangir is Minister for Economic Affairs at the Embassy in Washington; Kuros was Minister of Housing prior to April 1974; and Hushang was head of the Information Department of the OPEC Secretariat until November 1973. (Confidential)

Hushang Ansari
Minister of Economics and Finance

Hushang Ansari, 45, a former diplomat with wide contacts in business and government, received the newly created portfolio of Economics and Finance in April 1974. He had served since July 1969 as Minister of Economy and, before that, as Ambassador to the United States. Ansari is aggressive, efficient, imaginative, and pro-American.



He headed a trade delegation to the USSR in 1972 and has since visited the United States, China, West Germany, the United Kingdom, Japan, Pakistan, Yugoslavia, India, and Egypt. He currently is in the United States, leading Iran's IMF/IBRD delegation.

Ansari has come down hard against proposals to expand oil output and weaken prices. With the backing of the Shah, he recently took a swipe at Saudi Arabia's Minister of Petroleum, emphasizing that any Saudi action to reduce prices would be met by production cuts in Iran and other OPEC countries. Although he is not involved directly in operating matters, he is a member of the NIOC steering committee. (Confidential)

Iraj Vahidi
Minister of Energy

Iraj Vahidi, 46, received the newly created post of Minister of Energy in the cabinet reshuffle of April 1974. He had been Minister of Water and Power since 1971. An able, highly respected executive and technician, Vahidi is most familiar with water resources and related agricultural matters. He was managing director of the Khuzestan Water and Power Authority in 1966-69 and then Minister of Agriculture. In October 1973 he held talks with US businessmen on nuclear power projects.



Still an uncertain factor in petroleum policy, Vahidi is not believed to carry the weight of

the "old hands" such as Amuzegar, Ansari, or Hoveyda. Although a member of the NIOC steering committee, Vahidi does not appear to exercise any special ministerial control over the NIOC. (Confidential)

Manuchehr Eqbal
Chairman of the Board and General Managing Director,
National Iranian Oil Company

Dr. Manuchehr Eqbal, 65, has been the head of the NIOC, Iran's principal state-owned petroleum enterprise, since 1963. Although a physician by training, he has had extensive experience in the government, serving at one time as Prime Minister.



Eqbal plays a key role in determining NIOC policy, in directing the NIOC's domestic activities, and in negotiating NIOC agreements with foreign firms. In September 1974, he journeyed to several West European capitals and to Washington, meeting with the various heads of government. Eqbal dutifully follows the Shah's policies and spends a good deal of his time explaining NIOC decisions and problems to the Shah. He apparently stays clear of political squabbles. (Confidential)

Reza Fallah
Director of Technical and International Affairs,
National Iranian Oil Company

Reza Fallah has been a member of the Board of Directors of the NIOC since 1952. He is one of the most competent and influential leaders in the Iranian oil industry and is in frequent contact with the Shah. Urbane, forceful, and ambitious, Fallah skillfully uses his position to further his own interests. In March 1973 the Shah appointed him head of the Iranian delegation in the takeover from the Consortium.



Fallah has been described as an Anglophile. His attitude toward the United States is unknown; some American executives consider him

to have a better understanding of the importance of the international oil companies than does Manuchehr Egbal, NIOC's chairman. (Confidential)

Bager Mostofi
Managing Director, National Petrochemical Company

Baqer Mostofi has headed the NPC since its founding in 1964. A technician by training, he also is an ambitious administrator.

Mostofi has been the leading proponent of Iran's venture into petrochemical production. Although inexperienced in petrochemistry, Mostofi is adept at negotiating petrochemical projects involving Iran. In this connection, he has traveled to the United States, various West European countries, and Japan. Mostofi is occasionally engaged in jurisdictional disputes with the head of the NIGC, who reportedly is vying with him for power. (Confidential)



Taqi Mosadeqi
Managing Director, National Iranian Gas Company

Taqi Mosadeqi, 52, has been managing director of the NIGC since 1969. Bright and aggressive to the point of ruthlessness, he reportedly is locked in a power struggle with the head of the National Petroleum Company, Baqer Mostofi.

Mosadeqi is a tough taskmaster who brings a thorough knowledge of the oil and gas industries to the job. On receiving a degree in civil engineering in 1945, he set out to work in the oil industry. By 1960, he was general manager of NIOC operations at Abadan. He became head of non-technical operations in the Consortium Agreement Area in 1966, and an alternate member of the NIOC board in 1969. As managing director of the NIGC, Mosadeqi has engaged in negotiations on gas agreements with foreign firms.

In August 1974, he concluded agreements with European and American consortiums that will involve some of the largest gas projects in the world. In the same month, he negotiated a new agreement with the USSR that hikes prices by 85%. Mosadeqi should become even more prominent as Iran develops its huge gas reserves—second only to those of the USSR. (Confidential) ■

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IRAQ

The power to decide oil policy rests with the twelve-member Revolutionary Command Council (RCC) headed by President Hasan al-Bakr. Within the RCC, the dominant position in oil decisionmaking has been assumed by the Council's Vice President, Saddam Husayn al-Tikriti. Jockeying for influence largely ended in 1974, when the Oil Affairs Follow-up and Agreements Implementation Committee was established with Tikriti as its chairman. This five-man committee has supervisory authority over the government oil companies and controls marketing policy, including setting sales prices and negotiating sales contracts.

The Secretary General of the Committee is 'Adnan Hamdani, a newly elected member of the RCC and a protege of Tikriti. Another influential member is Dr. Sa'dun Hammadi, who also occupies the key positions of Minister of Oil and Minerals and Chairman of the Iraqi National Oil Company (INOC). Dr. Hammadi's role in developing oil policy has been somewhat diluted, however, by formation of the Follow-up Committee. He basically implements the policies and guidelines established by Saddam Husayn al-Tikriti and 'Adnan Hamdani.

Operational control of the oil industry is in the hands of the government-owned INOC. This company was established in 1964 to exploit those areas confiscated from Iraq Petroleum Company (IPC), an operation owned by Royal Dutch Shell, British Petroleum, Cie. Francaise des Petroles, and a consortium of American petroleum giants. The government expropriated 99.5% of IPC's undeveloped concession area as early as 1961 but left the private company in control of its producing oil fields until 1972.

The final nationalization agreement signed on 28 February 1973 put INOC in effective control of the entire industry. Even the Basrah Petroleum Company (BPC) -- an affiliate of IPC and the sole survivor of the 1973 nationalization decree -- is 43% owned by INOC. Its daily operations are overseen by INOC's sister company, the Iraq Company for Oil Operations (ICOO). INOC operates the industry through service contracts with IPC and other foreign firms.

Unlike most other national oil companies, INOC is not empowered to undertake refining and domestic distribution of products. This remains the responsibility of the Government Oil Refining Administration (GORA), which took over the operation from British Petroleum in 1952. INOC is determined, however, to establish an integrated oil operation. In 1972, it set up the Iraq National Oil

Secret

Iraq: Petroleum Policymaking Organization



Revolutionary Command Council
President: Ahmad Hasan al-Bakr
Vice President: Saddam Husayn al-Tikriti
Plus twelve members

Economic Affairs Bureau
Dr. Fakhri Qadduri

Oil Affairs Follow-up and Agreements
Implementation Committee
Chairman: Saddam Husayn al-Tikriti
Secretary General: Adnan Hamdani

Council of Ministers
Prime Minister: Ahmad Hasan al-Bakr
Twenty-eight Ministers, including:

Ministry of Planning
Dr. Jawad Hashim

Ministry of Oil and Minerals
Dr. Sa'dun Hammadi
Dr. Fadil al-Shalabi

Ministry of Economy
Hikmat al-'Azzawi

Autonomous Government Agencies

Others, including :
Government Oil Refineries Administration
Petroleum Products Distribution Administration
Gas Distribution Administration

Iraq National Oil Company
Chairman: Sa'dun Hammadi
Director General: 'Abdallah Shakir al-Sayyab
(also Chairman, OPEC Board of Governors)

Iraq Company for Oil Operations
Chairman: 'Abd al-Fattah al-Yasin

Iraq National Oil Tankers Co.
Chairman: Ju'ma Hashim al-Luaybi

State Company for Consulting
and Planning of Oil Projects
Director General: Mahdi al-Shaykh' Ali

Iraq Petroleum Company
Chairman: C. M. Dalley
Executive Director: H. C. Goff
(offices in London)

Foreign Contractors :
Entreprise des Recherches et d'Activités Pétrolières (ERAP)
State-owned companies from USSR, Romania, Bulgaria, India, and Brazil

Basrah Petroleum Co.Ltd.
(Same officers as IPC)

Secret

Tankers Company to operate a rapidly expanding tanker fleet. INOC's engineering arm, the State Company for Consulting and Planning of Oil Projects (SCCOP), plays an important role in awarding construction contracts to foreign firms.

The oil establishment is beginning to distinguish between the economic interests of the state and the ideology of the ruling party. Because new contracts for construction and exploration are being awarded with an eye to economic considerations, more Western firms are entering the country. Major expansion projects now under way include oil field development and construction of new refineries, pipelines, and port facilities. Significantly, Iraq was the only member of the Organization of Arab Petroleum Exporting Countries not to support the production cutback scheme last winter. It maintains a hard line favoring both high prices and maximum production. Iraq's oil strategy is to harness growing oil revenue to the process of economic development in general and industrialization in particular. (Secret)

Ahmad Hasan al-Bakr
President; Chief of State; Commander in Chief
of the Armed Forces; Minister of Defense

Ahmad Hasan al-Bakr, 62, became President following the 17 July 1968 coup that brought the Ba'ath Party to power for the first time since February 1963. Shortly thereafter, he named himself Prime Minister (now called Chief of State) and Commander in Chief of the Armed Forces. A moderate leader of the party, Bakr is also President of the Revolutionary Command Council. In July 1973, he appointed himself Minister of Defense.

In years past, Bakr has been cordial to US officials but publicly anti-American. From 1973 on, he has appeared to be signaling a desire for improved relations with the West. His economic policies have resulted in an expanded Western presence in Iraq. In particular, the regime has been interested in tapping Western oil technology.

In early 1974, Bakr indicated opposition to any consumer-producer conference called by the United States. In a letter to Washington, he stated that the United Nations is the best framework for discussing energy questions. Iraq objected to a handful of industrial nations representing consumer countries; all countries, he said, are energy consumers.

Secret

Bakr graduated from Baghdad Teachers College and attended the Royal Military College. He was a member of the Free Officers Movement and participated in the July 1958 revolution that overthrew the monarchy. His career has been highlighted by arrests, high government posts, and leadership in the international Ba'athist movement. In January 1969, Bakr was promoted to marshal – a rank equivalent to general. (Confidential)

Saddam Husayn al-Tikriti
Vice President, Revolutionary Command Council
Assistant Secretary General
Ba'ath Party of Iraq Regional Command

As Vice President of the Revolutionary Command Council, Saddam al-Tikriti is nominally second to President Ahmad Hasan al-Bakr. Many consider him the strong man of the regime. Since November 1968, Tikriti also has been the assistant secretary general of the Ba'ath Party of Iraq Regional Command (BPIRC)—the most powerful position in the party. Although President Bakr is the secretary general of the BPIRC, the post is only titular.



In the spring of 1974, Tikriti was made head of a newly formed Oil Affairs Follow-up and Agreements Implementation Committee. It has responsibility for marketing all government-owned crude oil and is the dominant decisionmaking organization on oil matters.

Tikriti, 37, has been in jail, plotted assassinations, and negotiated a friendship pact with the USSR. He militantly insists that Arab regimes should nationalize Western oil companies. Trained as a lawyer, he was a key figure in the nationalization of the Iraq Petroleum Company. (Confidential)

Secret

Sa'dun Hammadi
Minister of Oil and Minerals: Chairman, INOC

Sa'dun Hammadi, an American-educated technocrat, has been Minister of Oil and Minerals since December 1969. He became chairman of INOC in March 1973, a post he had previously held from November 1968 through June 1971. Hammadi is interested in the possibilities of long-term agreements under which consuming countries would furnish technical and development aid in return for guaranteed oil supplies.



Hammadi, 44, graduated from the American University of Beirut and then received a Ph.D. in agricultural economics from the University of Wisconsin in 1957. Returning to Iraq, he became editor of the semiofficial newspaper *al-Jumhuriyah* in 1958. His political activities soon forced him to flee to Lebanon, where he remained until 1960. He reportedly then went to Tripoli and joined the Research Department of the National Bank of Libya. He was imprisoned upon return to Iraq in January 1963 but was freed after the Ba'ath-led coup the following month. Hammadi filled the post of Minister of Agrarian Reform until the November counter coup by the Iraqi army brought a purge of Ba'ath Party figures. Hammadi lived in Lebanon, Syria, and Libya before returning to Iraq in 1968. (Secret)

Fadil al-Shalabi
Under Secretary for Technical Affairs;
Ministry of Oil and Minerals

Fadil al-Shalabi, 45, became Under Secretary in the Ministry of Oil and Minerals in May 1973. He had previously served for three years as director general of oil affairs in the same ministry. An influential figure, he has been mentioned as a possible successor to the current minister.

In a February 1974 interview, Shalabi outlined his belief that consumer countries not only must pay remunerative prices for oil but also must provide exporting countries with technical and development assistance.

Secret

Shalabi holds a Ph.D. from the University of Paris, where he won honors for a thesis entitled *Oil Economics*. He entered government service in the early 1960s as an official in the Ministry of Trade and later moved to the Ministry of Economy. In 1968, he was named a part-time member of the INOC Board of Directors. He is also a member of the board of the Central Bank. Shalabi speaks some English. (Confidential)

'Abdallah Shakir al-Sayyab
Vice President for Agreements, INOC; Chairman
OPEC Board of Governors

'Abdallah Sayyab, 46, has been INOC's Vice President for Agreements since early 1972. He had previously served as a technical adviser to INOC. He was selected as Chairman of OPEC's Board of Governors in January 1974.

Sayyab holds B.S. and M.S. degrees in geology from Indiana University and a Ph.D. in paleontology from Iowa University. Joining the Ministry of Oil and Minerals in 1960, he served successively as director of exploration and research (1960-63), director of the Technical Section (1963), and director general of oil affairs (1964). He was appointed to the INOC Board of Directors in 1964 and became an executive director of the board in 1967.

Sayyab has been cordial and friendly toward US officials. (Confidential)

Mahdi al-Shaykh 'Ali
Director General, State Company for Consulting
and Planning of Oil Projects; Member,
Board of Directors, INOC

Dr. Mahdi al-Shaykh 'Ali was appointed director general of the State Company for Consulting and Planning of Oil Projects in March 1970. His term as a member of the INOC Board of Directors was renewed in June 1974 for another two years.

Born in 1936, 'Ali graduated from the College of Engineering in Baghdad in 1958. In January 1965, he received the degree of *kandidat* from the Moscow

32
Secret

Scientific Research Institute of Concrete and Reinforced Concrete. During his five years in Moscow, 'Ali was assistant agricultural attache at the Iraqi Embassy. In early 1965, he requested US Embassy assistance in enrolling in a US university to pursue a Ph.D., but it is not known if the project materialized.

'Ali has traveled to Czechoslovakia (September 1970), Syria (September 1971), the USSR (September 1972), India (March 1974), and Kuwait and Bahrain (June 1974) for discussions about oil matters. (Confidential)

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LIBYA

All major decisions on oil policy are made by Revolutionary Command Council Chairman Qadhafi, usually after discussion with his second-in-command, Jalud. More knowledgeable about oil matters and less emotional, Jalud has considerable sway over Qadhafi. Nevertheless, he neither challenges Qadhafi's superior role nor takes important actions without prior consultation. Once basic policy decisions are made, it is Jalud who initiates action, dealing with the oil companies and delegating responsibilities to other parts of the government.

Directly subordinate to the RCC, the Ministry of Petroleum is charged with the day-to-day administration of the petroleum sector. It provides policy support to the RCC, implements RCC decisions, and handles routine policy questions. Industry-wide statistical compilations, production regulation, technical training, personnel supervision, and participation in international organizations are all under the jurisdiction of the ministry. Minister of Petroleum Mabruk and his deputy, Muntasir, work closely with Jalud on major issues, supplying him with information and standing in for him during negotiations with the oil companies. Jalud and Qadhafi do not feel obligated, however, to honor commitments made at the ministry and have been known to reverse them.

The Libyan National Oil Corporation is the operating arm of the Ministry of Petroleum and has no assigned role in policy formulation. LNOC executives nonetheless make policy recommendations on the basis of operational constraints and do exert some influence. In 1973, for example, the scarcity of trained technicians available to LNOC was a key factor limiting the scope of nationalizations.

LNOC was created in 1970 to succeed the Libyan General Petroleum Corporation (LIPETCO), which had been established by King Idris in 1968. The company is authorized to engage in all aspects of petroleum exploration, production, refining, and marketing. Initial activities were confined to exploitation of concessions jointly owned with foreign firms and to operation of a small field relinquished by Phillips Petroleum. Nationalization of British Petroleum assets in December 1972 gave LNOC its first substantial production properties. Subsequent nationalizations have raised LNOC's share of Libyan oil output to about two-thirds. Through its subsidiaries, LNOC operates the wholly owned Sarir field, participates in the management and operation of all other fields, markets and refines crude oil, and operates a fledgling tanker fleet.

In international oil circles, Libya is regarded as one of the more radical Arab producers. Tripoli has been a leader in expanding state control over oil resources.

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In 1970, selective pressures and skillful bargaining won unprecedented revenue increases for Libya and demonstrated the power of oil-producing countries. In the next few years, Libya joined forces with other Mediterranean producers to negotiate further revenue increases and proceeded to nationalize producing assets on a piecemeal basis. It was a strong supporter of last winter's Arab oil supply cutbacks and the OPEC decision to raise prices drastically. Libya currently favors further increases in state revenues -- at the expense of production cuts, if necessary -- and no doubt intends eventually to complete its takeover of foreign-owned oil operations. (Confidential)

LIBYA: Petroleum Policymaking Organization



REVOLUTIONARY COMMAND COUNCIL
Chairman: Mu'ammarr al-Qadhafi,
Member: 'Abd al-Salaam Ahmad Jalud

MINISTRY OF PETROLEUM
Minister: 'Izz al-Din al-Mabruk
Deputy Minister: Umar Mustafa Muntasir

LIBYAN NATIONAL OIL CORPORATION
(presidency currently vacant)

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Mu'ammarr al-Qadhafi
Chairman of the Revolutionary Command Council

Qadhafi has led Libya ever since he engineered a coup that removed King Idris in 1969. Intense, outspoken, and unpredictable, Qadhafi chairs the ruling Revolu-

Secret

tionary Command Council and is clearly in charge. He was educated at the Royal Military Academy and was a career army officer before the coup. His technical expertise in the petroleum field is limited, but he is quick to grasp information and ideas presented to him. He favors full Libyan control of domestic resources, higher prices for oil, and conservation of resources. (Confidential)

'Abd al-Salaam Ahmad Jalud
Prime Minister

Second only to Qadhafi in influence, Jalud has been Prime Minister since July 1972. Previously, he served as Deputy Prime Minister and Minister of Economy. Qadhafi and Jalud frequently argue but nevertheless work well together. Jalud is the Revolutionary Command Council's best executive and most technically competent member in oil affairs. His knowledge of oil matters has been acquired mostly on the job. Bright and shrewd, Jalud has masterminded the encounters with the oil companies and was responsible for the 1970 breakthrough in oil revenues. (Confidential)



'Izz al-Din al-Mabruk
Minister of Petroleum

Mabruk has been Minister of Petroleum since January 1970. He studied law in Cairo and London and previously served as an appellate judge in Tripoli and as a legal adviser and consultant to OPEC. His authority in petroleum affairs is limited because all major policy decisions are made by the Revolutionary Command Council. He is a staunch supporter of the regime and tries to mediate between the RCC and the oil companies. He often serves as the RCC's spokesman on oil both at home and in international forums. As Minister of Petroleum, he advocates further Libyanization of the petroleum sector, increased domestic processing of oil, and conservation of natural resources. (Confidential)



Umar Mustafa Muntasir
Deputy Minister of Petroleum

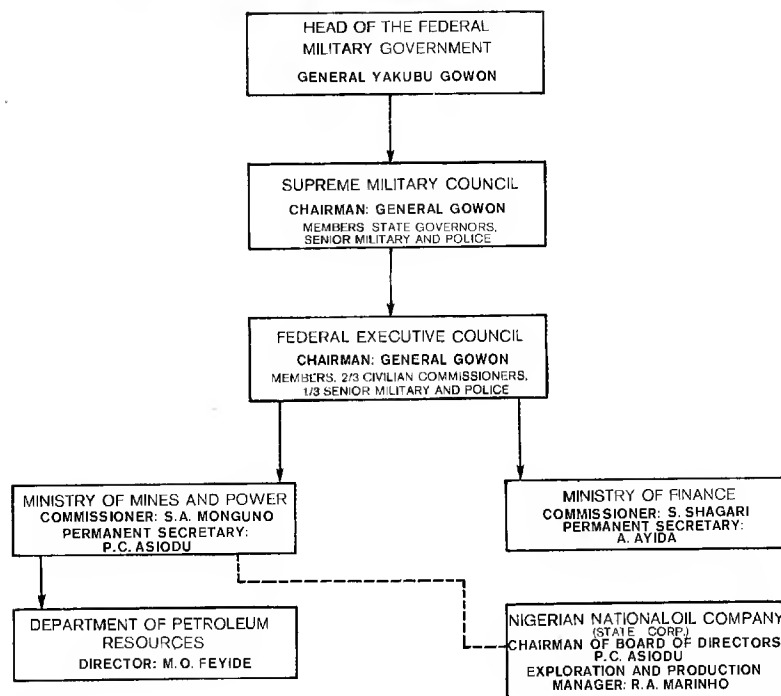
Muntasir has been Deputy Minister of Petroleum since early 1973. Previously, he served as Deputy Director of the Libyan National Oil Corporation and as director general of economic affairs and research within the Ministry of Petroleum. He is one of the many technicians who were imprisoned for political reasons under the Idris regime and were drawn into responsible government posts after the coup. He enjoys the confidence of the Revolutionary Command Council, frequently filling in for Mabruk and even Jalud at petroleum meetings. He holds a masters degree from American University and worked for Mobil Oil Company in Libya until imprisoned in 1967. (Confidential)■

* * * *

NIGERIA

Executive and legislative power in Nigeria is vested in the Federal Military Government, headed by General Yakubu Gowon. Gowon is Chairman of both the Supreme Military Council (SMC) and the predominately civilian Federal Executive Council (FEC) (see the chart). The FEC organization most directly concerned with petroleum policymaking is the Ministry of Mines and Power – especially its Department of Petroleum Resources, which handles oil policy and regulation. The Nigerian National Oil Co. (NNOC), a state corporation, is the government's operating unit for all petroleum matters. The Ministry of Finance determines petroleum tax policy and budgets oil revenues.

NIGERIA: Petroleum Policymaking Organization



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Policymaking procedure depends on the importance of the issue. On minor questions, policy may be set by the Director of Petroleum Resources or his subordinates. Decisions of moderate significance are normally made by the FEC after the matter has moved up through the Commissioner of Mines and Power. Key issues, such as the decision to form a national oil company, require consideration by both the FEC and the SMC, with General Gowon himself usually being directly involved.

Important policy moves typically are suggested by the civil service, reviewed by the FEC, and then submitted to the SMC for decision. On a day-to-day basis, the commissioners' subordinates, the permanent secretaries, have the greatest responsibility and *de facto* policymaking authority because of their technical expertise. Military officers apparently play only a small role in petroleum policymaking, normally deferring to senior civil servants.

NNOC was created in early 1971 to take part in petroleum exploration, production, refining, and marketing. Initially, NNOC merely took over minority shares in foreign oil companies in Nigeria. NNOC also was given exclusive exploration rights in all unassigned acreage; it is to exploit any petroleum resources found in these areas through production-sharing or service contracts. The first production-sharing agreement was negotiated in June 1973 with Ashland Oil Company. NNOC recently hired two US firms to conduct seismic surveys of all its offshore acreage.

In international oil policy, Nigeria has been satisfied merely to follow the lead of the Middle East producers. It has been widely regarded as one of the more moderate OPEC countries. While Lagos' decisions are influenced by developments in other producing countries, no foreigners have been identified as playing a direct role in Nigerian oil policy. (Confidential)

Ali Monguno
Commissioner, Ministry
of Mines and Power

An educator turned politician, Ali Monguno became Commissioner for Mines and Power in 1971. Previously he had been Commissioner for Industries and Commissioner for Trade. He has studied at various Nigerian schools as well as Edinburgh University. Monguno is an able and honest administrator and has few enemies. While officially outranking his Permanent Secretary, P.C. Asiodu, he has in fact far less influence on Nigerian petroleum policy. (Confidential)



Philip Asiodu
Permanent Secretary, Ministry
of Mines and Power
Chairman of Board of Directors,
NNOC

Philip Asiodu, an Oxford-trained economist and one of the most influential civil servants in the Federal Military Government, is clearly the number-one voice in the formation of Nigerian petroleum policy. Asiodu is probably the leading theoretician and advocate of the Nigerian brand of economic nationalism. He insists that the government must take steps to insure that important economic sectors are not dominated by foreigners.



Asiodu realizes that Nigerian managers can contribute little to development in the short run and thus favors joint government-private ventures to take advantage of foreign expertise. Formation of the NNOC and government equity participation in foreign oil firms clearly reflect Asiodu's views. Although he has been highly critical of some aspects of US foreign policy, Asiodu is an admirer of American managerial and technical know-how and strongly favors the introduction of US techniques into Nigeria. (Confidential)

Shehu Shagari
Commissioner, Ministry
of Finance

Shagari began his active political career in 1964, when he was elected to the Federal House of Representatives; he has since had extensive parliamentary and ministerial experience. Shagari graduated from Kaduna College and was an educator before going into government. He was first appointed to the Cabinet in 1970 and became Commissioner for Finance in 1971. (Confidential)



Allison Ayida
Permanent Secretary,
Ministry of Finance



One of the most influential permanent secretaries, Ayida exerts appreciable influence on policy decisions, including many that extend beyond economic affairs. He studied at King's College, Lagos, and received a B.A. degree with honors in political and economic planning from Queen's College, Oxford. He has also done graduate work at the London School of Economics and holds an M.A. degree from Oxford. He was in charge of all relief, rehabilitation, and reconstruction activities at the end of the civil war and was the main author of the Second National Development Plan. A pragmatist and strong nationalist, Ayida has shown no preference for any particular economic or political ideology. (Confidential)

M.O. Feyide
Director, Department of
Petroleum Resources
Ministry of Mines and Power

Feyide is Nigeria's top petroleum expert and the highest ranking official dealing exclusively with petroleum matters. Educated in mining and petroleum engineering in the United Kingdom, he has spent his entire career in the Ministry of Mines and Power. He does not make decisions on important policy questions, but he initiates policy ideas and makes judgments and recommendations on the proposals of others. He is widely respected by private oil men for his technical competence and straightforwardness. Well disposed toward private capital, he believes that Nigeria's oil benefits can be maximized through operations of experienced foreign companies. (Confidential)

F.A. Marinho
Exploration and Production
Manager, NNOC

Marinho is the number-two petroleum expert in Nigeria. Prior to his present position, he was Deputy Director, Department of Petroleum Resources. He has studied at the University of Ibadan and at Imperial College, University of London. He also has had on-the-job training with private oil companies in the United Kingdom and Canada. Marinho works well with foreign oil company officials and has no apparent bias against private capital. (Confidential) ■

* * * *

QATAR

This is the eleventh in a series of articles on personalities, institutions, and policies bearing on petroleum developments in OPEC countries.

The Amir of Qatar, Sheikh Khalifa ibn Hamad al-Thani, makes all final decisions on oil policy. Supporting him, in a loosely structured arrangement, are his son, Sheikh 'Abd al-Aziz ibn Khalifa al-Thani, the Minister of Finance and Oil; 'Ali Jaidah, the Director of Petroleum Affairs; Said Mishal, the Director of Industrial Planning; Hasan Kamil, the ruler's personal adviser; and, from time to time, the Foreign Minister and Minister of Information.

Two organizations recently have been established to deal specifically with oil matters — the Qatar General Petroleum Company (QGPC) and the Joint Management Committee. QGPC was created in July 1974 to replace the Qatar National Petroleum Company, which was established in April 1972 but never commenced operation. The new corporation will administer Qatar's 60% share of the operating oil companies and will operate the state-owned oil refinery and fertilizer plant.

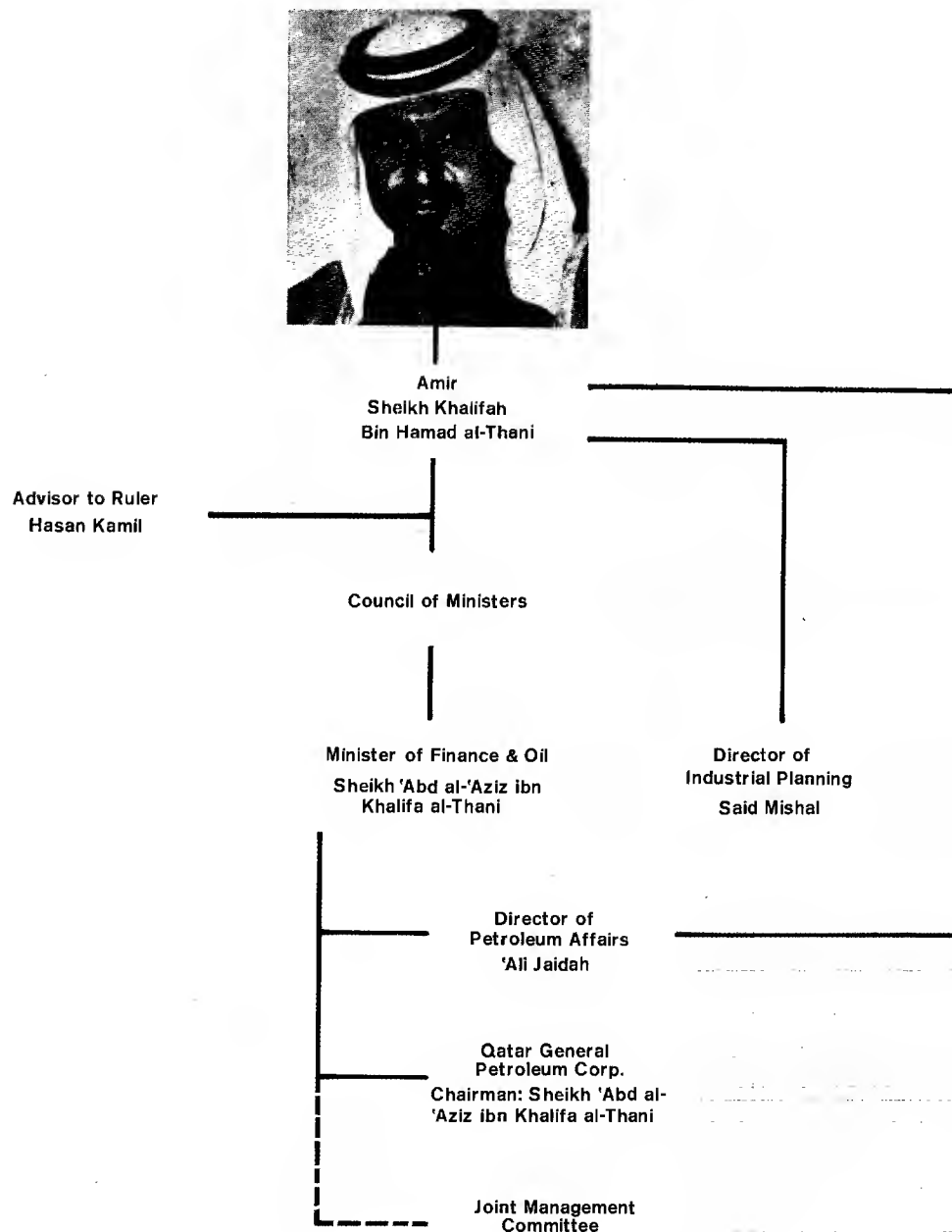
The chairman of the QGPC is the Minister of Finance and Oil, 'Abd al-Aziz. Except for the ruler, all the major participants in petroleum matters are on the corporation's board. Either Said Mishal or 'Ali Jaidah probably will emerge as the most influential policymaker next to the Amir.

The position of the Joint Management Committee is still unclear. On paper, the Committee is responsible for all major decisions concerning the producing fields. The five-member board includes three representatives from the government and one each from the two foreign operating companies. The government has 60% of the votes and the companies, 40%. Decisions are made by a 75% majority. If a majority is not obtained for a proposed investment project, the government can execute it alone.

Qatar's production of 520,000 b/d is small by Persian Gulf standards, and its policies accordingly have little effect on the world oil market. Production increases recently have restrained conservation measures, rather than holding up prices. Although loathe to admit it, the Qatar government is strongly influenced by Saudi views on oil matters. (Confidential)

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QATAR: Petroleum Policymaking Organization



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Khalifa ibn Hamad al-Thani

Sheikh Khalifa became Amir in February 1972, when he usurped the position from his cousin, Ahmad ibn Ali al-Thani. He had served as Prime Minister, Foreign Minister, and Minister of Finance and Oil.

Although Khalifa does not have a deep understanding of petroleum matters, he is intelligent and energetic in the pursuit of Qatar's interests. Generally well-disposed toward the United States, the Amir has criticized neighboring states for anti-US statements. (Confidential)

Sheikh 'Abd al-Aziz ibn Khalifa al-Thani

Sheikh 'Abd al-Aziz al-Thani, Minister of Finance and Oil, is the son of the ruler and the most promising candidate to be named crown prince. He does not have a profound knowledge of petroleum matters but is a responsible minister. Any position he takes can be considered that of the Amir as well.

'Abd al-Aziz was educated in both England and the United States, where he attended three colleges. He was appointed Deputy Minister of Finance in the spring of 1972 and named Minister of Finance and Oil a few months later. (Confidential)

Hasan Kamil

Hasan Kamil, a leading adviser to the Amir, is directly involved in oil policy. An Egyptian, Kamil has served the government of Qatar since 1960. A lawyer, educated at the Sorbonne, he has influenced the organization of the Qatari government and has understanding of its functioning.

Kamil has been involved in petroleum matters since 1960, when he was the Qatari delegate to the Kuwait Conference of Oil Experts. Since 1962 he served as Qatar's representative to OPEC. He also is on the board of directors of



Secret

the two foreign operating firms — the Qatar Petroleum Company and Shell Oil Company of Qatar. (Confidential)

Said Mishal

Said Mishal, Director of Industrial Planning, continues to have considerable influence in oil matters. He previously held the post of Director of Petroleum Affairs and has become the chief negotiator with the oil companies.

A Palestinian with Saudi citizenship, Mishal was educated at Cairo University. (Confidential)

'Ali Jaidah

'Ali Jaidah became Director of Petroleum Affairs in 1969. He is the only official in the Qatari government who fully understands oil economics and was once its most influential oil administrator. Somewhat out of favor because of his outspokenness, Jaidah is being eclipsed by Said Mishal, who previously held the post.

A member of a wealthy family, Jaidah was educated in the United Kingdom and holds a Masters degree in economics. (Confidential)■



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UNITED ARAB EMIRATES

The United Arab Emirates (UAE) is a federation of seven sheikhdoms -- Abu Dhabi, Ajman, Dubai, Fujairah, Ras al Khaimah, Sharjah, and Umm al Qaiwain. Only three -- Abu Dhabi, Dubai, and, since July 1974, Sharjah -- are oil producers. The UAE currently produces 2 million b/d of crude oil, making it the fourth largest Gulf producer. Abu Dhabi contributes the lion's share, 1.7 million b/d, while Dubai adds another 240,000 b/d. Sharjah began production at an initial rate of 50,000-60,000 b/d and is expected to boost output to 240,000 b/d in 1975.

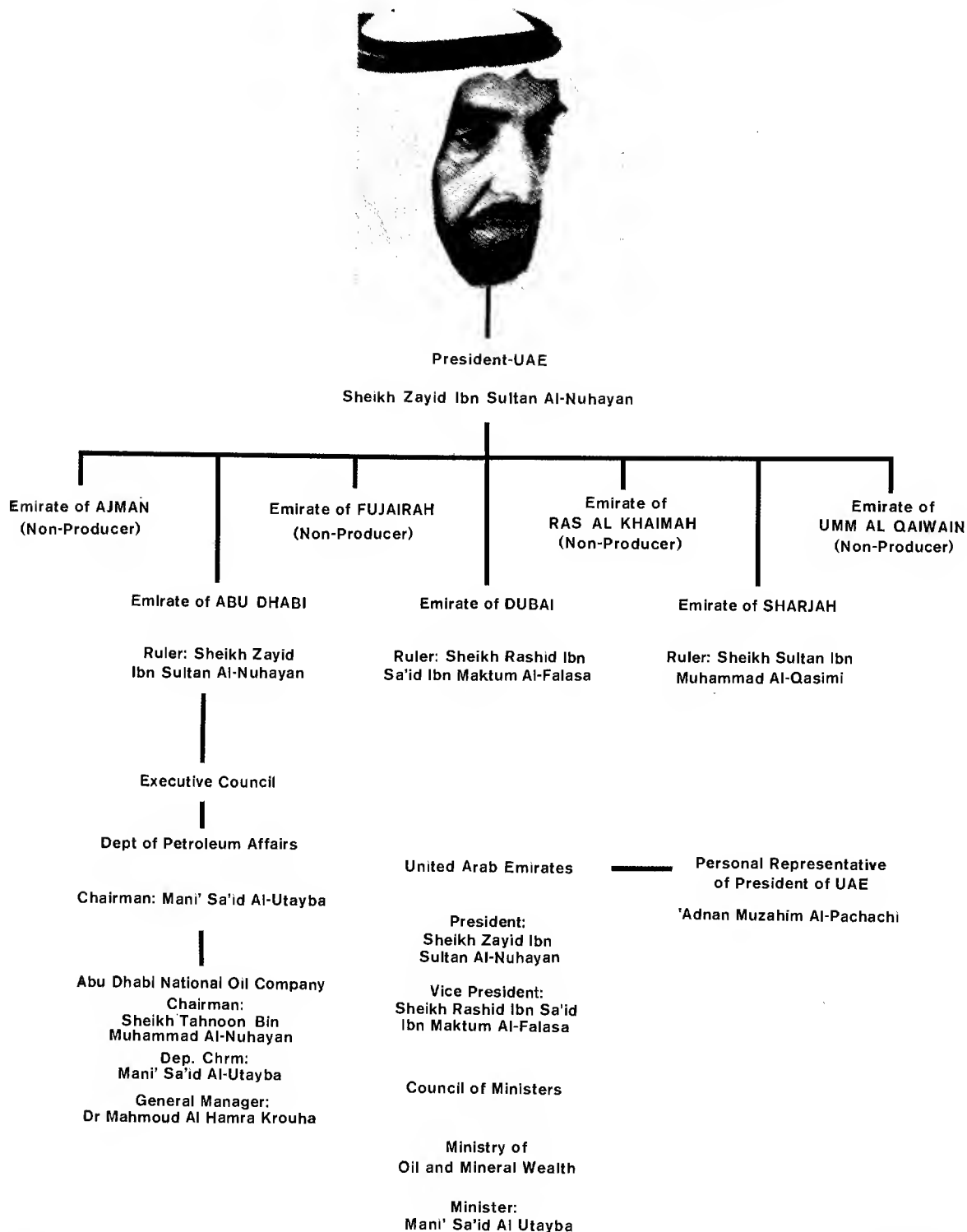
The federal government has little real power over petroleum matters. Effective control has been retained by the individual sheikhs. Sheikh Zayid ibn Sultan al-Nuhayan of Abu Dhabi, Sheikh Rashid ibn Sa'id ibn Maktum al-Falasa of Dubai, and Sheikh Sultan ibn Muhammad al-Qasimi of Sharjah are the chief oil policymakers for their share of UAE output. Abu Dhabi holds the key posts in the UAE government as well as the power of the purse. Under the federal constitution, control over oil and mineral exploitation activities remains the exclusive domain of the individual states.

A federal Ministry of Oil and Mineral Wealth was established at the end of 1973 to deal with OPEC and OAPEC policy matters. The Ministry's power is limited because it does not control oil revenues and because the sheikhs are not bound by its decisions. A new federal corporation -- The Federal Company for Oil Distribution -- was established in April 1974 to sell petroleum products in the seven emirates. The new company is operated by the officials of the former Abu Dhabi Company for Oil Distribution, which was abolished with the formation of the federal company.

Only in Abu Dhabi is there any evidence of a formal line of authority that extends beyond the ruler and his personal advisers. The UAE Minister of Petroleum, Mani' Utayba, is the head of the Abu Dhabi Department of Petroleum Affairs, formerly the Abu Dhabi Ministry of Petroleum and Industry. The department is responsible for managing Abu Dhabi's relations with the operating companies, implementing OPEC and OAPEC decisions in Abu Dhabi, and allotting new concessions. The complex of activities being managed and coordinated by the department surpasses its present technical and administrative competence, especially in the international marketing field.

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UAE: PETROLEUM POLICYMAKING ORGANIZATION



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The Abu Dhabi National Oil Company (ADNOC), established in 1971, represents the government's share of participation in foreign oil companies operating in Abu Dhabi. The company also negotiates the government's oil sales, recommends establishing affiliates, sets up development projects, and enters into partnerships with other companies (two affiliate companies under the ADNOC engage in exploration activities and the manufacture of oil-related equipment). Company policy is set by a Board of Directors, headed by Sheikh Tahnoon Muhammad al-Nuhayan with Mani' Utayba as Deputy Chairman. Day-to-day operations are handled by Dr. Hamra Krouha, the General Manager, an Algerian on loan from Sonatrach - the Algerian state oil company (Secret)

Secret

**Zayid ibn Sultan al-Nuhayan
President, UAE**

Sheikh Zayid, ruler of Abu Dhabi since 1966, is also President of the UAE. Elected in December 1971 for a five-year term, he had served since 1969 as President of the Federation of Arab Emirates, predecessor to the UAE. He is clearly the dominant figure in the UAE and probably the only sheikh who really cares about the federation. He wants badly to be accepted on equal terms by the top leaders of the Arab world, and he is willing to commit funds to various Arab states to achieve this aim.

While Sheikh Zayid has had differences with Saudi Arabia, he has agreed with King Faysal on oil matters. In August 1974 he settled a longstanding border dispute with Saudi Arabia and appears to be ready to follow the Saudi lead on oil policy. (Confidential)

**Rashid ibn Sa'id ibn Maktum al-Falasa
Vice President, UAE**

Sheikh Rashid was proclaimed ruler of Dubai in 1958. In addition, he is Vice President of the UAE and head of the UAE currency board. He has neither the wealth nor the generosity of Sheikh Zayid. Nonetheless, he has succeeded in turning Dubai into a dynamic commercial center in little more than a decade.

He is well acquainted with the technical details of oil operations and has an excellent grasp of commercial matters. He is inclined to pursue an independent path from Abu Dhabi, yet he generally can be counted on to follow the lead of the major oil producers. (Confidential)



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Sultan ibn Muhammad al-Qasimi
Ruler of Sharjah

Sheikh Sultan became the ruler of Sharjah in January 1972, following the assassination of his brother and predecessor. Sheikh Sultan, 32, a newcomer to oil wealth, has only meager experience in government but seems to have a good grasp of the problems of development and modern society. He can discuss technical subjects on a fairly high level. Since the discovery of oil, Sheikh Sultan has shown great interest in attracting US business to Sharjah, both to participate in local development projects and to invest in projects such as hotels and oil-related service facilities.



Sheikh Sultan graduated from the University of Cairo with a degree in agronomy. (Confidential)

Mani' Sa'id al-Utayba
Minister of Oil and Mineral Wealth, UAE
Chairman, Department of Petroleum Affairs, Abu Dhabi
Deputy Chairman, Abu Dhabi National Oil Company

Mani' Utayba, about 28, became Abu Dhabi Minister of Petroleum and Industry (now Department of Petroleum Affairs) when the first Abu Dhabi cabinet was formed in July 1971. He has been managing Abu Dhabi petroleum interests since 1969. He became the UAE Minister of Petroleum in late 1973 when emirate ministries were consolidated into the federal cabinet. Active in Arab oil politics, he has been involved in the affairs of both OPEC and OAPEC. He is also the Deputy Chairman of the Abu Dhabi National Oil Company (ADNOC) and a member of the board of the joint Abu Dhabi-Japanese Abu Dhabi Oil Company (ADOC).



Secret

Utayba enjoys the confidence of the ruler of Abu Dhabi, Sheikh Zayid. This confidence is not shared, however, by Western oil company officials, who regard him as arrogant and poorly informed about oil affairs. He admires the ability and style of Saudi Oil Minister Yamani and seeks to gain the same kind of respect which Yamani enjoys in international oil circles. He strongly advocates direct sale by Abu Dhabi of its crude oil, bypassing the oil companies.

Utayba was the first Abu Dhabian to earn a college degree. He received a degree in economics from the University of Baghdad in 1969. (Confidential)

Tahnoon Bin Muhammad al-Nuhayan
Chairman, Board of Directors, Abu Dhabi National Oil Company

Sheikh Tahnoon al-Nuhayan, now chairman of the board of directors of the Abu Dhabi National Oil Company, is also the Minister of Municipalities and Agriculture and previously was Governor of Abu Dhabi's Eastern Province. He is one of the harder working and more intelligent of the junior sheikhs and exerts considerable influence within the Abu Dhabi leadership. He is pro-Western and will forcibly press his opinions once convinced. He is a neophyte in the oil business, however, and probably will lean heavily on the advice of Mahmoud al Hamra Krouha, the new general manager of ADNOC. (Secret)



Mahmoud al Hamra Krouha
General Manager, Abu Dhabi National Oil Company

Dr. Hamra Krouha, an Algerian on loan from Sonatrach—the Algerian state oil company—is the new general manager of the Abu Dhabi National Oil Company (ADNOC). About 36 years old with a Ph.D. from the Sorbonne in economics, he was director of planning at Sonatrach until loaned to Abu Dhabi. (Secret)

Secret

'Adnan Muzahim al-Pachachi
Member, Board of Directors, Abu Dhabi National Oil Company

'Adnan Pachachi, an Iraqi, became the personal representative of the president of the UAE in January 1974. He is also a member of the Board of Directors of the Abu Dhabi National Oil Company. He has held posts in the Abu Dhabi government, including that of Minister of State, since mid-1969. He went to Japan in December 1973 as part of an Abu Dhabi delegation to explain post-war Arab oil policy. Although an Arab nationalist, his political inclinations are moderate. He was Iraq's Foreign Minister then Permanent Delegate to the UN until 1969, when he resigned because of political disagreement with the Iraqi Ba'ath regime.



He has a Ph.D. in political science from Georgetown University. He is the cousin of Nadim al-Pachachi, formerly oil adviser to Sheikh Zayid. (Confidential) ■

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